

## Message Text

UNCLASSIFIED

PAGE 01 ROME 11290 061029Z

46

ACTION EB-07

INFO OCT-01 EUR-12 EA-10 ISO-00 AGR-10 AID-05 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 PRS-01 PA-02 FEA-01

INT-05 /127 W

----- 096201

R 060901Z AUG 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 2445

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

UNCLAS ROME 11290

E.O. 11652 N/A

TAGS: ECON, EFIN, IT

SUBJ: ECONOMIC FORECASTS

REF: (A) STATE 95313

(B) STATE 180524

(C) ROME 6316

1. FOLLOWING IS IN RESPONSE TO REQUEST REF B FOR QUARTERLY  
FORECAST OF ITALIAN INDUSTRIAL PRODUCTION THROUGH 1976.

TABLE (PARA 3) SHOWS QUARTERLY DESEASONALIZED INDUSTRIAL  
PRODUCTION INDEX (1970 EQUALS 100) FROM 1973 THROUGH 1976.

ACTUAL DATA FOR 1973 AND 1974 HAVE BEEN INCLUDED SINCE  
STATISTICS CONTAINED IN REF C HAVE, ONCE AGAIN, BEEN REVISED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ROME 11290 061029Z

FIGURE FOR FIRST QUARTER 1975 IS BASED ON ACTUAL DESEASON-

ALIZED INDEX FOR JANUARY AND FEBRUARY AND ESTIMATE OF DESEASONALIZED INDEX BASED ON RAW DATA FOR MARCH. SECOND QUARTER 1975 IS ESTIMATED DEASONALIZED INDEX COMPUTED FROM ACTUAL RAW FIGURES FOR APRIL, MAY AND JUNE.

2. NEW ESTIMATE FOR 1975 IS CONSIDERABLY MORE PESSIMISTIC THAN THAT CONTAINED REF C, I.E., DROP IN INDUSTRIAL PRODUCTION INDEX IN 1975 OF 8.8 PERCENT COMPARED TO PREVIOUS ESTIMATED DECLINE OF 6.2 PERCENT. ONE REASON FOR LOWER ESTIMATE IS FACT THAT MAY INDUSTRIAL PRODUCTION FIGURE UNEXPECTEDLY DROPPED SIGNIFICANTLY BELOW LEVEL WHICH HAD GENERALLY PREVAILED FOR PREVIOUS SIX-MONTH PERIOD. (MAY FIGURE WAS 18.6 PERCENT BELOW MAY 1974, IN CONTRAST WITH 11.7 PERCENT DECLINE IN FIRST FOUR MONTHS OF 1975 COMPARED TO SAME PERIOD 1974.) SHARP DROP IN MAY RAISED QUESTION WHETHER DECLINE IN INDUSTRIAL PRODUCTION HAD REALLY BOTTOMED OUT. JUNST-RELEASED RAW INDEX FOR JUNE IS SOMEWHAT MORE CONFORTING, AT 10.4 PERCENT BELOW JUNE 1974. ANOTHER FACTOR EXPLAINING REDUCED ESTIMATE IS THAT, WHEREAS ISCO BUSINESS SURVEYS FROM JANUARY THROUGH APRIL SHOWED DECLINING PESSIMISM REGARDING FORECAST OF BUSINESS TRENDS FOR SUCCEEDING THREE TO FOUR MONTH PERIODS, SURVEYS IN MAY AND JUNE SHOWED REVERSAL TOWARD MORE PESSIMISTIC VIEWPOINT. FINALLY, EVEN IF THERE IS UNDERLYING RECOVERY IN INDUSTRIAL PRODUCTION BY LATE 1975 AND EARLY 1976, THIS MAY WELL BE DAMPENED BY LOST PRODUCTION DUE TO STRIKES IN CONNECTION WITH THREE-YEAR CYCLE OF WAGE CONTRACT NEGOTIATIONS IN SEVERAL IMPORTANT ECONOMIC SECTORS.

### 3. DESEASONALIZED INDUSTRIAL PRODUCTION INDEX:

INDEX	PERCENT CHANGE
----	-----

1973	I	105.0	
	II	113.8	
	III	118.1	
	IV	120.7	
		----	
	YEAR	114.4	PLUS 9.7

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ROME 11290 061029Z

1974	I	122.8	
	II	124.7	
	III	119.3	
	IV	110.7	
		----	
	YEAR	119.4	PLUS 4.4

1975	I	108.5	
------	---	-------	--

II 108.5  
III 109.0  
IV 109.5

-----

YEAR 108.9 -8.8

1976 I 111.0  
II 113.5  
III 117.5  
IV 120.5

-----

YEAR 115.6 PLUS 6.2

VOLPE

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ESTIMATES, ECONOMIC DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975ROME11290  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750271-0243  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750877/aaaacqcn.tel  
**Line Count:** 128  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 95313  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 DEC 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 DEC 2003 by ThomasVJ>; APPROVED <06 JAN 2004 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC FORECASTS  
**TAGS:** ECON, EFIN, IT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006